

Message Text

LIMITED OFFICIAL USE

PAGE 01 VIENNA 03909 081304Z

44

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 INR-07 NSAE-00 FAA-00 L-02 /031 W

----- 065750

R 070938Z MAY 75

FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 5576

LIMITED OFFICIAL USE VIENNA 3909

C O R R E C T E D C O P Y (T E X T)

E.O. 11652: N/A

TAGS: ETRN, AU

SUBJECT: CIVIAR: PAN AM/GOA DISPUTE CONCERNING PAYMENT OF
COMMISSION TO TRAVEL AGENTS

1. SUMMARY: PAN AM HAS ANNOUNCED TO LOCAL TRAVEL AGENTS
COMMISSION INCENTIVE PROGRAM UNDER WHICH COMMISSION OF
TEN PERCENT WILL BE PAID ON SALE OF PASSENGER TICKETS
ABOVE CERTAIN AMOUNT. GOA HAS INFORMED PAN AM THAT
PROPOSED PLAN NOT IN ACCORDANCE WITH US/AUSTRIAN BILATERAL.
PAN AM REQUESTS USG VIEWS. (END SUMMARY)

2. PAN AM AREA DIRECTOR LOY INFORMED EMBASSY, MAY 5,
OF FOLLOWING MATTER AND ASKED FOR USG VIEWS.

3. PAN AM INFORMED IATA IN APRIL IT WILL NO LONGER
CONSIDER ITSELF BOUND BY SEVEN PERCENT COMMISSION RULE
FOR TRAVEL AGENTS IN INTERNATIONAL AIR TRAVEL AREA. PAN
AM HAS DEVISED NEW INCENTIVE PROGRAM FOR TRAVEL AGENTS
WHEREBY ON MONTHLY SALES IN EXCESS OF 90 PERCENT OF
SALES IN COMPARABLE MONTH OF 1974, COMMISSION OF 10
PERCENT RATHER THAN SEVEN PERCENT WILL BE PAID. PLAN
IS EXPERIMENTAL FOR PERIOD APRIL 1-DEC. 31, 1975.
ON APRIL 10 PAN AM BY CIRCULAR LETTER NOTIFIED AUSTRIAN
TRAVEL AGENTS OF THIS NEW PROGRAM. TO COMPENSATE FOR FACT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VIENNA 03909 081304Z

THAT PAN AM IS NOW AN OFFLINE CARRIER IN AUSTRIA, PER-

CENTAGE WILL BE LOWERED FROM 90 TO 47 PERCENT, BUT LOCAL TRAVEL AGENTS HAVE NOT AS YET BEEN ADVISED OF THIS LOWER PERCENTAGE.

4. ALTHOUGH PAN AM DID NOT INFORM GOA CIVIL AVIATION AUTHORITIES OF THIS NEW PLAN, AUSTRIAN CIVIL AVIATION DEPARTMENT LEARNED OF LETTER TO TRAVEL AGENTS AND WROTE TO LOY ON APRIL 17 STATING AS FOLLOWS (EMBASSY TRANSLATION):

" WITH REFERENCE TO YOUR CIRCULAR LETTER OF APRIL 10, 1975 CONCERNING PAYMENT OF HIGHER SALES COMMISSIONS TO IATA AGENTS UNDER CERTAIN CONDITIONS, YOUR ATTENTION IS DRAWN TO THE PROVISIONS OF THE AUSTRO-U.S. AIR TRANSPORT AGREEMENT, IN PARTICULAR TO ARTICLE 13 (H), ACCORDING TO WHICH NO AIRLINE MAY REDUCE IN ANY WAY, DIRECTLY OR INDIRECTLY, ANY PORTION OF ANY ESTABLISHED TARIFF INCLUDING THE PAYMENT OF EXCESSIVE SALES COMMISSIONS TO AGENTS. A CHANGE OF THE COMMISSION RATE AGREED UPON WITHIN THE FRAMEWORK OF THE IATA-TAFIIF PACKAGE MAY NOT BE THE SUBJECT OF SUCH A UNILATERAL MEASURE; ITS APPLICATION IN SCHEDULED AIR TRAFFIC FROM AND INTO AUSTRIA IS, THEREFORE, NOT PERMISSIBLE."

5. IT IS LOY'S UNDERSTANDING THAT SIMILAR PROBLEM HAS ARISEN IN OTHER COUNTIRES INCLUDING FRG, SWITZERLAND AND SPAIN. LOY ALSO SAID HE HAS READ IN A TRAVEL AGENTS' NEWS LETTER THAT DEPARTMENT OF STATE HAS STATED PAN AM'S NEW COMMISSION PLAN DOES NOT VIOLATE US BILATERALS. BEFORE CONSIDERING WHAT FURTHER ACTION TO TAKE IN AUSTRIA, LOY HAS REQUESTED USG VIEWS ON POSITION TAKEN BY GOA.

6. ABOVE COMMISSION PLAN APPLIES ONLY TO SALES OF TICKETS TO INDIVIDUAL PASSENGERS. HE INDICATED PAN AM IS ALSO DEVISING A NEW SET OF COMMISSION PERCENTAGES FOR GROUP TRAVEL. HE HAS BEEN INSTRUCTED, HOWEVER, NOT TO DISCLOSE OR IMPLEMENT ANY GROUP LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 VIENNA 03909 081304Z

TRAVEL COMMISSION PLAN IN AUSTRIA UNTIL MATTER DESCRIBED ABOVE HAS BEEN RESOLVED.

7. GOA HAS NOT RAISED THIS MATTER WITH EMBASSY.

8. REQUEST DEPARTMENT'S COMMENTS.

BUCHANAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, TOURISM, DISPUTES, AIRLINES, AVIATION AGREEMENTS, BUSINESS FIRMS, TOURISM PROMOTION, PERSONNEL COMPENSATION
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975VIENNA03909
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750160-0721, D750161-0983
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750571/aaaacnjp.tel
Line Count: 115
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2003 by ElyME>; APPROVED <02 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: PAN AM/GOA DISPUTE CONCERNING PAYMENT OF COMMISSION TO TRAVEL AGENTS
TAGS: ETRN, AU, PANAM, PAN AM
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006